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# Public Service Commission

## M-E-M-O-R-A-N-D-U-M

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DATE: 07/06/09 Revised

TO: X ~~DIVISION OF ECONOMIC REGULATION~~  
       DIVISION OF REGULATORY COMPLIANCE  
       DIVISION OF SERVICE, SAFETY & CONSUMER ASSISTANCE  
       DIVISION OF STRATEGIC ANALYSIS & GOVERNMENTAL AFFAIRS  
       OFFICE OF THE GENERAL COUNSEL

FROM: OFFICE OF COMMISSION CLERK

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO(s): 06699-09

DESCRIPTION: Progress (Bernier) - (CONFIDENTIAL) Portions of response to staff's 2nd set of interrogatories (No. 28) and documents produced in response to Audit Control No. 08-248-2-1.

ONLY

SOURCE: Progress Energy Florida, Inc.

DOCKET NO(s): 090009-EI

The above material was received with a request for confidential classification. Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of the Commission Clerk and Administrative Services, Bureau of Records and Hearing Services, and to the Office of General Counsel.

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FPSC-COMMISSION CLERK

**Please read each of the following and check if applicable.**

- The document(s) is (are), in fact, what the utility asserts it (them) to be.
- The utility has provided enough details to perform a reasoned analysis of its request.
- The material has been received incident to an inquiry.
- The material is confidential business information because it includes:
  - (a) Trade secrets;
  - (b) Internal auditing controls and reports of internal auditors;
  - (c) Security measures, systems, or procedures;
  - (d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the company to contract for services on favorable terms;
  - (e) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities;
  - (f) Tax returns or tax-related information;
  - (g) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of information.
- The material appears to be confidential in nature and harm to the company or its ratepayers will result from public disclosure.
- The material appears not to be confidential in nature.
- The material is a periodic or recurring filing and each filing contains confidential information.

Response prepared by: James E. Bowman RE: INTERROGATORY No. 28

Date: July 10, 2009

cc:  CLK       RCP  
 ECR       SGA  
 GCL       SSC

REDACTED

28. What were the cumulative LN12 project sunk costs at the time PEF prepared its current LN12 project feasibility review? Please include in your response how PEF accounted for sunk costs in its current LN12 project feasibility review.

Answer

PEF's sunk costs are actual costs incurred through March 2009, as well as known termination fees associated with the EPC contract. For purposes of the current feasibility review, the actual project costs incurred through March 31, 2009 are \$383,237,759. Additionally, termination and known cancellation fees are EPC contract: \$ [REDACTED] Patrick Engineering: \$ [REDACTED] and Nuclear Fuel Contract [REDACTED], along with any potential costs to "wind down" the project if it were cancelled.